

**NIXON PEABODY LLP**  
ATTORNEYS AT LAW

437 Madison Avenue  
New York, NY 10022-7001  
(212) 940-3000  
Fax: (212) 940-3111

Erik W. Drewniak  
Direct Dial: (212) 940-3755  
E-Mail: edrewniak@nixonpeabody.com

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February 28, 2008

By Facsimile

The Honorable Denny Chin  
United States District Court  
Southern District of New York  
500 Pearl Street, Room 1020  
New York, New York 10007-1581

Re: *Continental Insurance Company v. Atlantic Casualty Insurance Company*,  
Civil Action No. 07 CV 3635

Dear Judge Chin:

We represent the defendant Atlantic Casualty Insurance Company in the captioned litigation. I am writing on behalf of Atlantic Casualty Insurance Company and plaintiff Continental Insurance Company (collectively, the "parties") to request an adjournment of the mediation in this action. On January 7, 2008, Your Honor issued an Order stating that the action is eligible for mediation. We have been working with Maria Sclafani of the Mediation Office regarding the scheduling of the mediation.

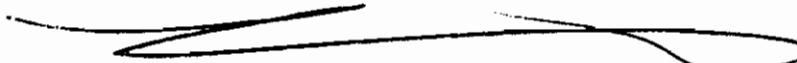
The parties believe that mediation will not be fruitful until more discovery has been conducted. To date, the parties have served requests for interrogatories and requests for production on each other, and they will be exchanging documents shortly. The parties each intend to take at least one deposition during the next several months. We expect that once depositions have been conducted, the parties will have sufficient information to engage in a productive mediation. Accordingly, we respectfully request that the mediation be adjourned until June 2008. If the request is granted, we will work with the Mediation Office to schedule it for a date that is convenient for the parties and the mediator. The parties have made no prior request to adjourn mediations in this action.

Application DENIED. The mediation should proceed, but the assigned mediator is free to adjourn or delay the proceedings pending some discovery if he or she believes it would make sense to do so.

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We appreciate Your Honor's consideration in this matter.

Respectfully submitted,



Erik W. Drewniak (EWD 7616)

cc: Erick J. Kirker, Esq.  
Maria Sclafani

Erik W. Drewniak (EWD 7616)